

**REAL ESTATE APPRAISERS BOARD MEETING
MINUTES
OCTOBER 19, 2005**

PRESENT: Mark Kowbel, Sharon Fiedler, Roger Roslansky, LaMarr Franklin, and Marla Britton

EXCUSED: Karen Scott

STAFF PRESENT: Tim Wellnitz, Bureau Director; Ruby Jefferson-Moore, Legal Counsel; Dr. Barbara Showers, Director, Office of Education and Examinations; Pat Schenck, Bureau Assistant; and Division of Enforcement Staff.

GUESTS: Debbi Conrad, Wisconsin Realtors Association

CALL TO ORDER

Mark Kowbel, Chair, called the meeting to order at 9:20 a.m. A quorum of five voting members was present.

AGENDA

Additions to Agenda:

- Add Fannie Mae Forms under Practice Issues

MOTION: Roger Roslansky seconded by LaMarr Franklin, to adopt the agenda .with additions. Motion carried unanimously.

APPROVAL OF MINUTES JULY 13, 2005

MOTION: LaMarr Franklin moved, seconded by Sharon Fiedler, to approve the minutes of July 13, 2005 as written. Motion carried unanimously.

**ADMINISTRATIVE REPORT
TIM WELLNITZ, BUREAU DIRECTOR**

Mr. Wellnitz introduced himself as the new Bureau Director of the Business and Design Professions, provided his phone number, e-mail address, and gave a brief background on his professional experience. Mr. Wellnitz reiterated the Department's policy regarding the toll free 800 number for Board members only.

Mr. Wellnitz discussed an article written by Karen Scott for the Regulatory Digest Newsletter for the Board's review and approval and requested additional articles for publication in the newsletter. Mr. Wellnitz will complete a draft of the newsletter and have it approved by Mark Kowbel, prior to having it posted on the Department's website.

The Board discussed alternative avenues for publishing information on the new AQB requirements and time-lines.

MOTION: Sharon Fiedler moved, seconded by LaMarr Franklin, to appoint Mark Kowbel to review the draft of the Regulatory Digest Newsletter and approve it on behalf of the Board prior to publishing it on the Department's website. Motion carried unanimously.

Hotel Reservations 2006

Mr. Wellnitz reported on the Department's new hotel policy for 2006. The Department has selected the Comfort Inn & Suites at 4822 E. Washington Ave in Madison for all future hotel reservations in 2006.

Summary Reports on Pending Court Cases, Disciplinary Cases and Administrative Rules and Press Releases

Noted.

PRESENTATION OF PROPOSED STIPULATIONS BY DIVISION OF DIVISION OF ENFORCEMENT INCLUDING STIPULATIONS SIGNED AFTER THE MAILING OF THE AGENDA

There were no stipulations presented in open session:

- a. Helen R. Patenaude 01 APP 032
- b. Daniel B. Truaz 02 APP 055
- c. Joseph P. Haselwander 04 APP 045
- d. Richard E. Dubose 01 APP 004 and 01 APP 019
- e. Ginger A. Renier 04 APP 050
- f. Daniel D. Cooper 02 APP 039
- g. David K. Egan and Charles J. Schlesselman 03 APP 015
- h. Gordon J. Hofschulte 05 APP 012

TRAVEL

2005 FALL AARO CONFERENCE, WASHINGTON, D.C. - OCTOBER 8-11, 2005 – REPORT BY SHARON FIEDLER

Sharon Fiedler reported on the 2005 Fall AARO Conference she attended in Washington DC on October 8-11, 2005. Highlights of the meeting included:

- Monitoring continuing education
- Disciplinary process – an outline for Board members
- Distance education delivery system – panel discussion
- Individual presentations of interest regarding fraud
- Types and percentage's of fraudulent behavior
- Roles of Board and staff
- Supervisors/Trainees – guide to the rules and regulations applicable to the supervision of trainees in North Carolina
- Continuing education
- Examinations
- Online computer based instruction

- Listening to lectures on IPOD's
- Simulators
- Web conferencing
- Appraisal Subcommittee's report

DISCUSSION AND RECOMMENDATIONS RELATING TO THE SUPERVISION OF UNLICENSED INDIVIDUALS BY LICENSED AND CERTIFIED APPRAISERS

Sharon Fiedler led the discussion relating to the supervision of unlicensed individuals by licensed and certified appraisers and reported on North Carolina's course for supervisors and trainees.

The Board discussed at length the lack of quality experience trainees are receiving from licensed supervisors, how to train supervisors, and trainee classification problems. Appraisal reports have been received in the Department with unauthorized supervisor's signatures.

The Board discussed setting up guidelines for the applicants to be posted on the Department's website.

MOTION: Roger Roslansky moved, seconded by LaMarr Franklin, to nominate Sharon Fiedler to draft information to guide applicants on the proper procedures in completing and submitting appraisal reports to the Department. Motion carried unanimously.

REPORT OF THE REA EDUCATION AND EXPERIENCE ADVISORY COMMITTEE (MEETING OF OCTOBER 18, 2005)

Ms. Ruby Jefferson-Moore reported on two rule changes to Chapter RL 80-87 that were requested by the REA Education and Experience Advisory Committee.

The Committee discussed applicant's who pass an examination and do not obtain the related appraiser credential within 24 months from passing the examination, that examination results loses its validity to support issuing an appraiser credential. To regain eligibility for the credential, the applicant must "re-take" and pass the examination. This interpretation applies to individuals obtaining a certified credential initially or upgrading from a lower level credential to either the certified residential or certified general classification.

The Committee agreed that AQB's requirement of the 24 month timeframe for applicants to gain experience is not enough time for applicants to gain experience.

Ms. Jefferson-Moore discussed certified residential appraiser applicants who fail to complete the 120 class hours before January 1, 2008 shall submit evidence satisfactory to the Department that the individual has successfully completed the required 200-class hour core curriculum established by the Appraiser Qualifications Board of the Appraisal Foundation plus have an associate degree.

The Committee went on record to tie the new requirements into when the person submits their application to the Department. If the Department receives the application by December 31, 2007, the applicant may receive credit for whatever part they have completed in that time-period

if it complies with the AQB requirements. The date was not included in the draft of the rules because it would indicate that Wisconsin is using the firm approach and Wisconsin elected to use the segmented approach.

LEGISLATION AND ADMINISTRATIVE RULES

CONSIDERATION AND APPROVAL OF PROPOSED RULES RELATING TO THE REGULATION OF REAL ESTATE APPRAISERS (CHAPTER RL 80-87, CODE)

Ms. Jefferson-Moore reported on the proposed rules relating to the regulation of real estate appraisers (Chapter RL 80-87, Code). The Board reviewed the proposed rules and suggested some minor changes.

MOTION: Marla Britton moved, seconded by Sharon Fiedler, to approve the proposed draft of the rules relating to the regulation of real estate appraisers (Chapter RL 80-87 Code) subject to changes. Motion carried unanimously.

Ms. Jefferson-Moore reported that a public hearing on the proposed rules could be on March 1, 2006. The REA Education and Advisory Committee made a request to attend the REA Board meeting and to conduct their meeting at 1:00 p.m. or immediately after the Real Estate Board meeting.

CONSIDERATION AND APPROVAL OF PROPOSED RULES (CHAPTER RL 87-APPENDIX 1) 2006 USPAP

Ms. Jefferson-Moore reported on the changes to Chapter 87 – Appendix 1 and the changes in dates to “The 2006 edition of USPAP is effective January 1, 2006 to June 30, 2007.”

MOTION: Roger Roslansky moved, seconded by LaMarr Franklin, to approve changes to Chapter 87-Appendix 1 subject to change. Motion carried unanimously.

PROPOSED FEDERAL LEGISLATION (HR 1295 - RESPONSIBLE LENDING ACT)

Sharon Fiedler reported that the proposed federal legislation (HR 1295- Responsible Lending Act) is a work in progress and is at the beginning stages.

Ms. Jefferson – Moore reviewed and discussed the proposed Federal Legislation (HR 295- Responsible Lending Act) with the Board.

APPRAISER QUALIFICATIONS BOARD REAL PROPERTY APPRAISER QUALIFICATION CRITERIA, EFFECTIVE JANUARY 1, 2008

IMPLEMENTATION PROPOSAL FOR 2008 CRITERIA

Real Estate Appraisers Board
October 19, 2005 Minutes

**Department of Regulation & Licensing Correspondence to Appraisal Subcommittee
(September 30, 2005)**

The Board reviewed a letter from Secretary Jackson to the Executive Director of the Appraisal Subcommittee referencing the Department adopting the 2008 Criteria, with a January 1, 2008 implementation date and that the Department has elected to adopt the “segmented” approach.

**Changes in Appraiser Education Requirements Effective January 1, 2008
Planning for Changes in Education Requirements - Dr. Barb Showers**

Dr. Showers reported that the Department will be notifying the public regarding the January 1, 2008 AQB criteria by posting information to the Department’s website, Regulatory Digest Newsletter, sending information with the application packet to new applicants, provide information to course providers, and mail information with renewal notices.

General Matrix Model – Dr. Barb Showers

The Board reviewed the matrix and would like to review it in larger print.

**DISCUSSION AND RECOMMENDATIONS RELATED TO THE SECOND EXPOSURE
DRAFT ON INTERPRETATIONS AND A GUIDE NOTE APPLYING TO THE REAL
PROPERTY APPRAISER QUALIFICATION CRITERIA**

Informational Item.

APPRAISAL SUBCOMMITTEE ISSUES AND CORRESPONDENCE

**Correspondence from the Appraisal Subcommittee Relating to Appraisal Examination
Validity – Dr. Barb Showers**

Dr. Showers addressed the Board regarding correspondence from the ASC relating to appraisal examination validity. The Department has put in a request to see how many applicants will be affected by the examination validity timeframe. An applicant who passes an examination and does not obtain the related appraiser credential within 24 months from passing the examination, the examination results loses its validity to support issuing an appraiser credential. To regain eligibility for the credential, the applicant must “re-take” and pass the examination. This interpretation applies to individuals obtaining a certified credential initially or upgrading from a lower level credential to either the certified residential or certified general classification

APPRAISAL STANDARDS BOARD

**Discussion and Recommendations Related to the Third 2005 Exposure Draft on Proposed
Revisions to USPAP**

Informational Item.

USPAP Questions and Answers (July, 2005)

Informational item.

Consideration of Communication from the Wisconsin Realtors Association Regarding Forged Appraisals

Ms. Jefferson-Moore reported that the Department received a complaint concerning an applicant who submitted appraisal reports to the Department with unauthorized supervisor's signatures. The Real Estate Appraiser Application Advisory Committee discussed sending letters to supervisors to confirm whether they supervised the applicant and signed appraisal reports submitted by an applicant.

Reprint of Article from the Appraisal Journal "Limits on Use of Fannie Mae Forms and the Appraisal Institute's Alternative Form"

Informational item.

PRACTICE ISSUES

Use of New Fannie Mae Forms (1004-1004) for New Construction

Ms. Jefferson-Moore addressed the Board on the use of new Fannie Mae forms (1004-1004) for new construction. Sharon Fiedler will respond to the person requesting clarification on using the new Fannie Mae Forms.

**BOARD MEMBER ACTIVITY
INFORMATIONAL MATTERS
NEW BUSINESS
VISITORS COMMENTS**

None.

CLOSED SESSION

MOTION: Marla Britton moved, seconded by Roger Roslansky, to convene to Closed Session to deliberate on cases involving hearings (s. 19.85 (1) (a), Stats.); to consider licensure or discipline (s. 19.85(1) (b), Stats. and 440.205 Stats., to consider individual histories or disciplinary data (s. 19.85(1) (f), Stats.); and to confer with legal counsel (s. 19.85(1) (g), Stats. Motion carried by roll call vote: Sharon Fiedler-yes, Mark Kowbel-yes, Roger Roslansky-yes, LaMarr Franklin-yes, Marla Britton-yes.

Open Session recessed at 1:00 PM

RECONVENE TO OPEN SESSION

MOTION: Roger Roslansky moved, seconded by LaMarr Franklin, to reconvene into Open Session at 1:15 PM. Motion carried unanimously.

**VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION,
IF VOTING IS APPROPRIATE**

MONITORING REPORTS

PAUL ALLEN 01 APP 003

MOTION: LaMarr Franklin moved, seconded by Roger Roslansky, to grant Paul Allen's request for reinstatement of his license as a certified residential appraisers (#9-1129). Motion carried unanimously.

JAMES SCHULTHEIS 99 APP 026

The Board tabled the matter concerning James Schultheis's until March 1, 2006.

CASE CLOSINGS

02 APP 021

MOTION: Roger Roslansky moved, seconded by LaMarr Franklin, to close case **02 APP 021** for prosecutorial discretion (P7). Case Advisor, Mark Kowbel. Motion carried.

02 APP 002

MOTION: Marla Britton moved, seconded by Sharon Fiedler, to close case **02 APP 002** for prosecutorial discretion (P7). Case Advisor, Mark Kowbel. Motion carried.

02 APP 006

MOTION: LaMarr Franklin moved, seconded by Sharon Fiedler, to close case **02 APP 006** for prosecutorial discretion (P7). Case Advisor, Mark Kowbel. Motion carried.

STIPULATIONS

HELEN R. PATENAUDE 01 APP 032

MOTION: Marla Britton moved, seconded by Roger Roslansky, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **Helen R. Patenaude 01 APP 032**. Motion carried unanimously.

DANIEL B. TRUAZ 02 APP 055

MOTION: Marla Britton moved, seconded by LaMarr Franklin, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **Daniel B. Truaz 02 APP 055**. Motion carried unanimously.

JOSEPH P. HASELWANDER 04 APP 045

MOTION: Roger Roslansky moved, seconded by Sharon Fiedler, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **Joseph P. Haselwander 04 App 045**. Motion carried unanimously.

RICHARD E. DUBOSE 01 APP 004 & 01 APP 019

MOTION: Marla Britton moved, seconded by LaMarr Franklin, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **Richard E. Dubose 01 APP 004 & 01 APP 019**. Motion carried unanimously.

GINGER A. REINER 04 APP 050

MOTION: LaMarr Franklin moved, seconded by Roger Roslansky, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **Ginger A. Reiner 04 APP 050**. Motion carried unanimously.

DAVID D. COOPER 02 APP 039

MOTION: Marla Britton moved, seconded by Roger Roslansky, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **David D. Cooper 02 APP 039**. Motion carried unanimously.

DAVID K. EGAN 03 APP 015

MOTION: Sharon Fiedler moved, seconded by LaMarr Franklin, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **David K. Egan 03 APP 015**. Motion carried unanimously.

CHARLES J. SCHLESSELMAN 03 APP 015

MOTION: Roger Roslansky moved, seconded by LaMarr Franklin, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **Charles J. Schlesselman 03 APP 015**. Motion carried unanimously.

GORDON J. HOFSCHULTE 05 APP 012

MOTION: Marla Britton moved, seconded by Sharon Fiedler, to adopt the Stipulation, Final Decision and Order, Findings of Fact, Conclusions of Law and Order in the matter concerning **Gordon J. Hofschulte 05 APP 012**. Motion carried unanimously.

ADMINISTRATIVE WARNING

GENE O. DE YOUNG 04 APP 024

MOTION: Roger Roslansky moved, seconded by LaMarr Franklin, to adopt the administrative warning in the matter concerning **Gene O. DeYoung 04 APP 024** as written. Case Advisor, Karen Scott. Motion carried unanimously.

SUCH OTHER ITEMS AS AUTHORIZED BY LAW

None.

ADJOURNMENT

MOTION: LaMarr Franklin moved, seconded by Sharon Fiedler, to adjourn the meeting at 1:35 p.m. Motion carried unanimously.

Next Meeting: March 1, 2006

Suggested agenda Items for March 1, 2006

- Amendment to the statutes to require trainee credentials and mandatory licensing
- Discussion and Recommendations Relating to the Supervision of Unlicensed Individuals by Licensed and Certified Appraisers